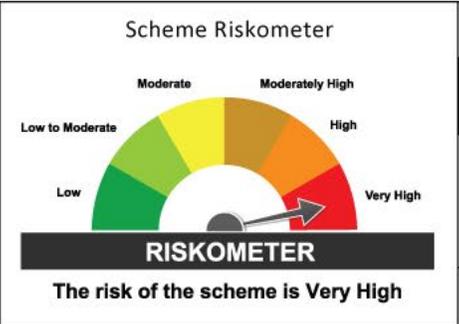




# SBI NIFTY BANK INDEX FUND

**BANKS ARE PIVOTAL TO ECONOMIC GROWTH.  
BANK WITH THE BANKERS.**

**NFO PERIOD**  
**20 - 31**  
**JANUARY, 2025**

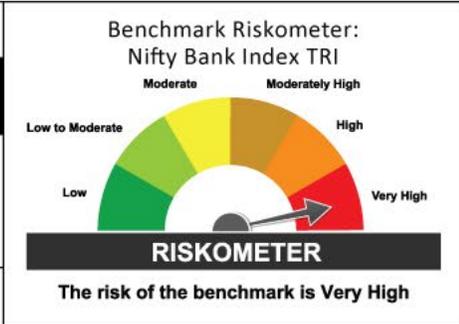


**An open-ended scheme replicating / tracking Nifty Bank Index**

**This product is suitable for investors who are seeking^:**

- Long term capital appreciation
- Investment in securities covered by Nifty Bank Index

^Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



# Benefits of Investing in an Index Fund



## Index Tracking

Constructed to track a specific index.



## Open-Ended Structure

Offers the flexibility of an open-ended mutual fund.



## Diversification

Provides broad market exposure through a single unit.



## Cost Efficiency

Generally, has a lower expense ratio compared to actively managed funds.



## Performance Alignment

Tracks the performance of the underlying benchmark index (subject to expense ratio & tracking error).



## Transparency

Offers transparency by replicating the index composition.

# Banking Sector: Case for Investment



# Banking: A Key Growth Driver in India's Market



Sector Name (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Financial Services	31	31	35	38	42	39	36	38	35	35
Information Technology	16	14	11	13	13	16	19	14	14	14
Oil & Gas	11	11	14	13	13	13	13	13	11	10
FMCG	9	9	8	9	9	8	7	9	9	8
Automobile	10	12	11	7	6	5	5	5	6	7

- The financial services sector has consistently held the largest weightage in the Nifty 50 over the years, reflecting its importance in driving India's market performance.
- » • With India's growing economy, increasing credit demand, and rapid digital transformation, banking remains a core pillar of growth, offering attractive long-term investment opportunities. «

Source: MFI Explorer, Data for top 5 sectors in Nifty 50 as on 31st Dec 2024. Constituents as on dec end of every Year. **Past performance may or may not be sustained in the future.** Sector(s) mentioned above are for the purpose of illustration and should not be construed as recommendation. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

# Banking a Structural Long-term Story



**Economic Growth & Credit Demand**

India's growing GDP and expanding middle class is expected to drive demand for banking services and loans, especially for MSMEs.

**Financial Inclusion & Govt. Support**

Initiatives like Jan Dhan Yojana are integrating the unbanked, while recapitalization is ensuring public sector banks' stability.

**Innovation Driving Growth**

Mobile banking, fintech, and AI solutions are resulting in enhanced efficiency, reduced costs, and broadening of services.

**Rising Profitability**

Fee-based income, improved NIMs, and reduced NPAs are leading to improved profitability and long-term stability.

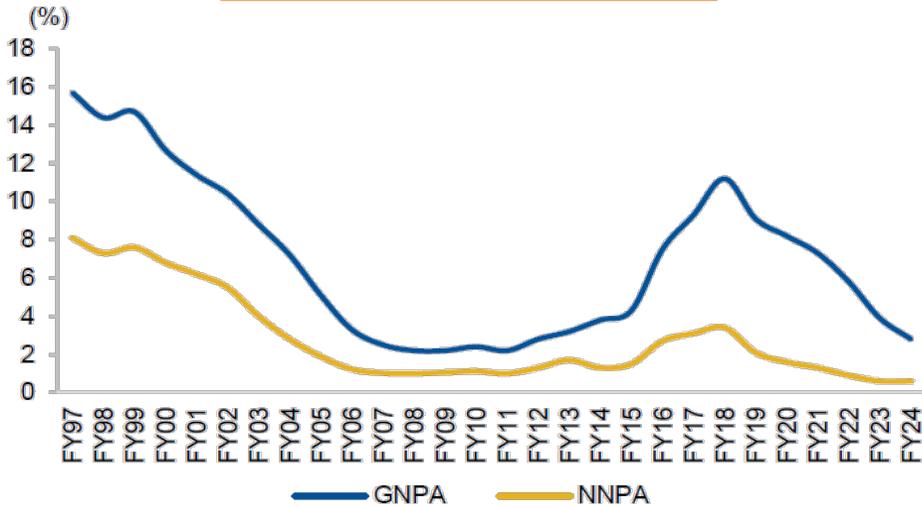
**Balancing Stability and Growth**

Public sector banks can offer stability, while private banks have the potential for better growth.

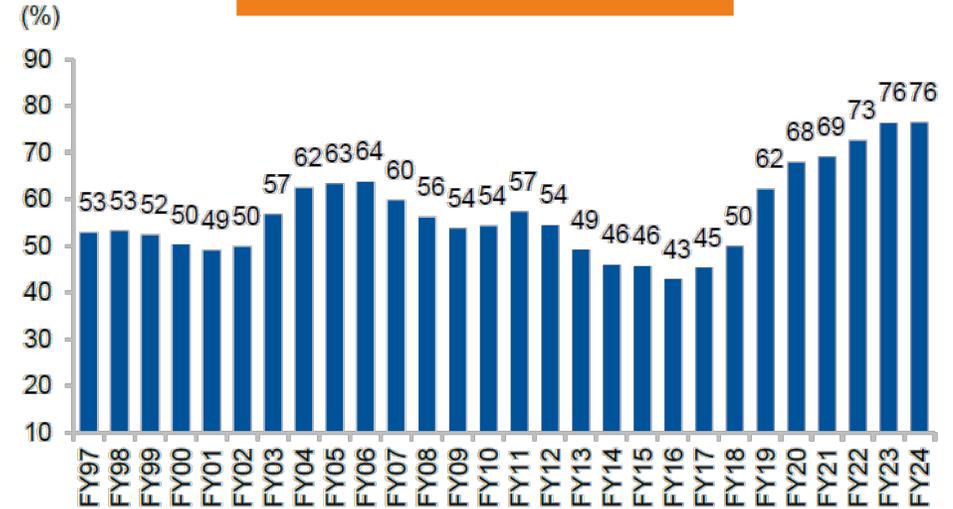
# Transformation in Banking: From Stress to Stability



## Asset quality



## PCR



» Banks asset quality have significantly recovered since its trough in FY18, primarily driven by the resolution of stressed corporate assets. «

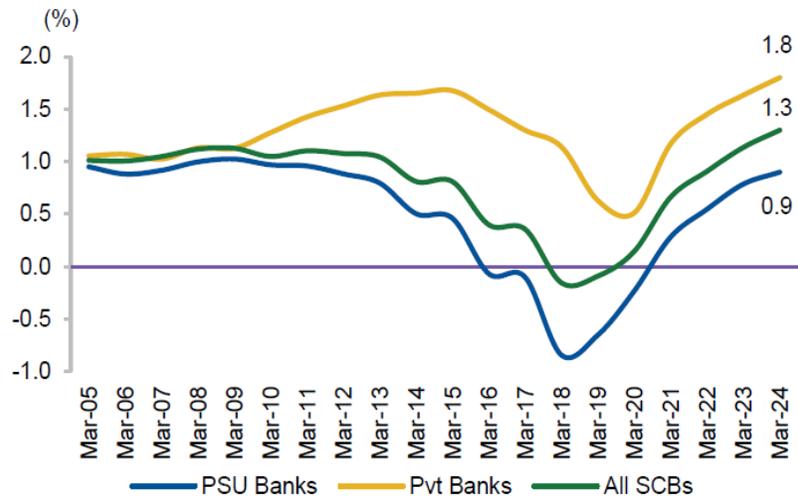
» Banks have enhanced their provision coverage ratios (PCR), increasing from 50% in FY18 to 76% in FY24, alongside building excess provisions as a buffer against potential shocks. «

Source: RBI AMSEC Research, PCR : Provision coverage ratios. GNPA: Gross Non-Performing Assets, NNPA: Net Non-Performing Assets.

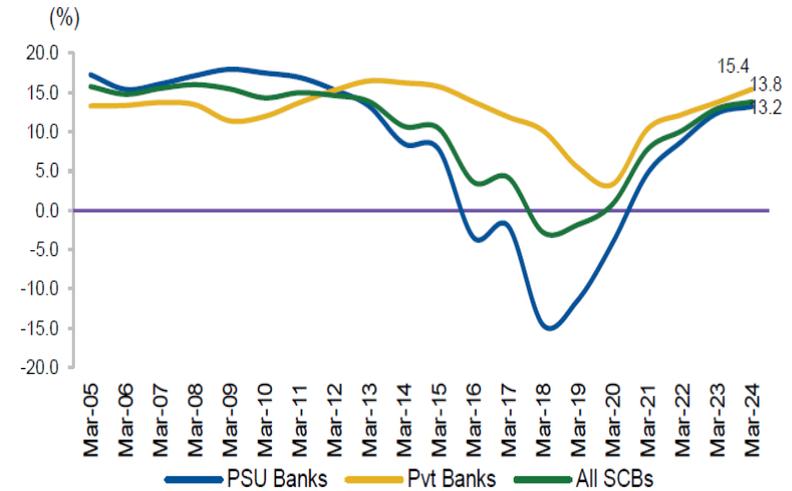
# Recovery in Profitability Metrics of Banks



## ROA



## ROE



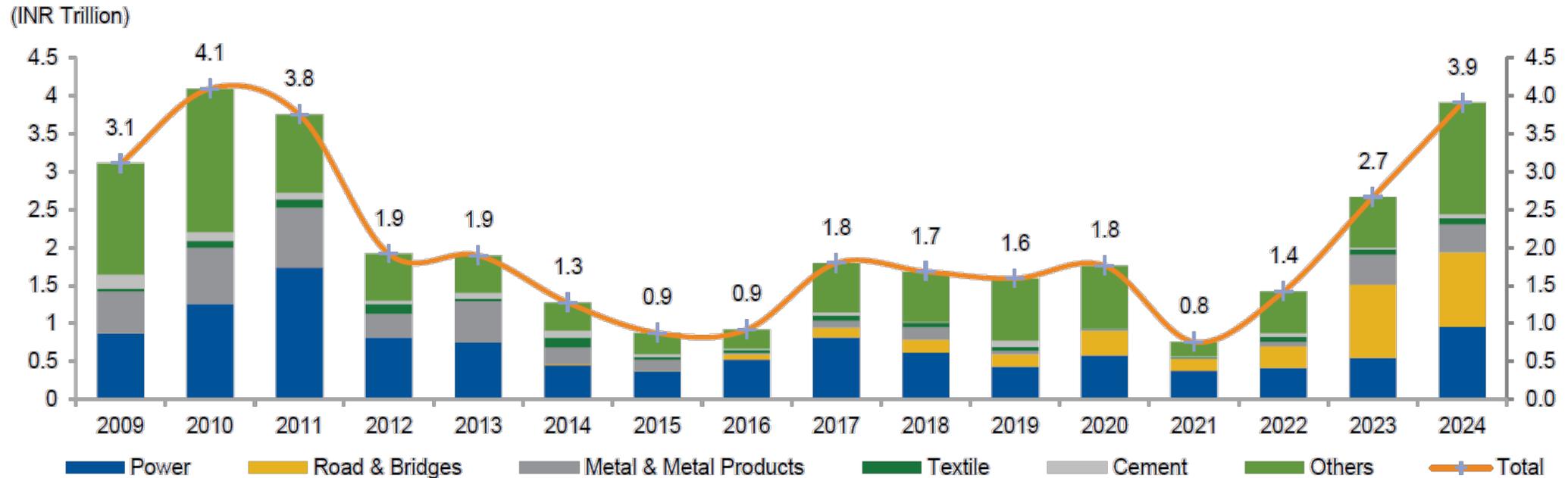
This above chart highlights the profitability trajectory of PSU Banks, Private Banks, and SCBs from FY05 to FY24. Post the decline during FY18-FY20, the sector has witnessed robust recovery, driven by structural improvements and better asset quality management.

Source: RBI AMSEC Research. ROA: Return on Asset, ROE : Return on Equity.

# Signs of Capex revival: Green Shoots visible



Sanctioned credit in FY24 at 15-year high; 2.7x of 10-year average (FY14-23)



- A revival in corporate credit is long overdue, with early signs of growth becoming visible.
- » • Credit sanctions to the industry by banks and financial institutions surged sharply in FY23 and FY24. «
- FY24 sanctions in absolute terms are nearly 2.7x the average annual credit sanctioned over the last decade.

Source: RBI AMSEC Research.

# Nifty Bank Index : Valuations



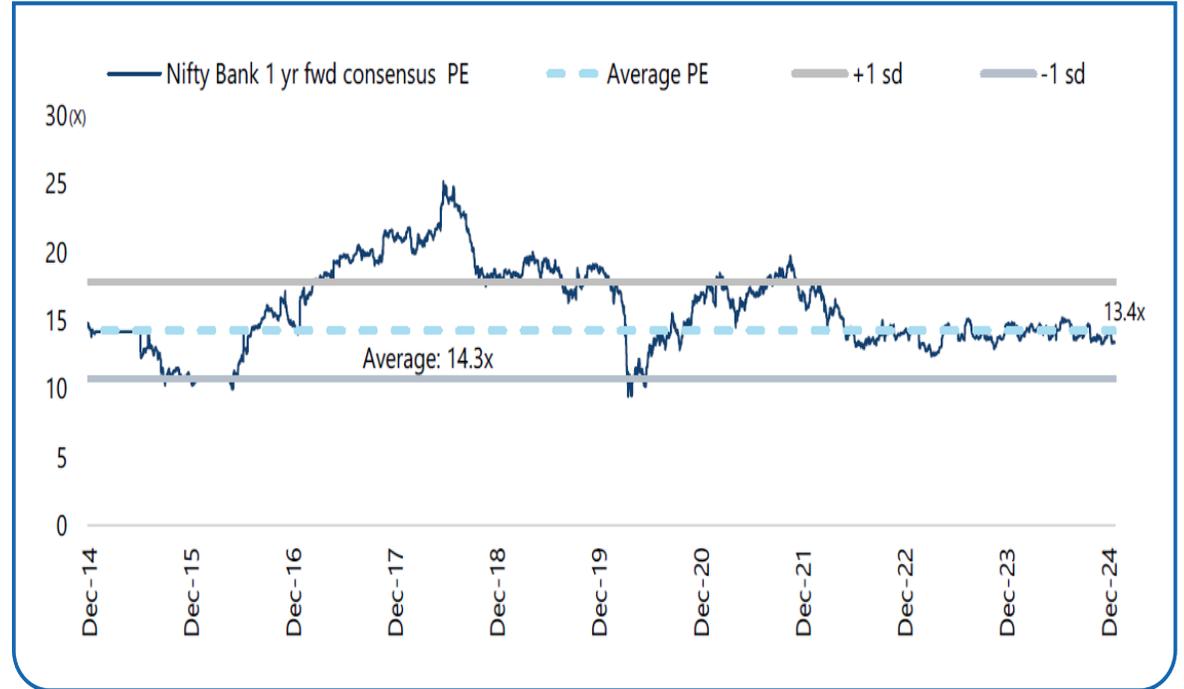
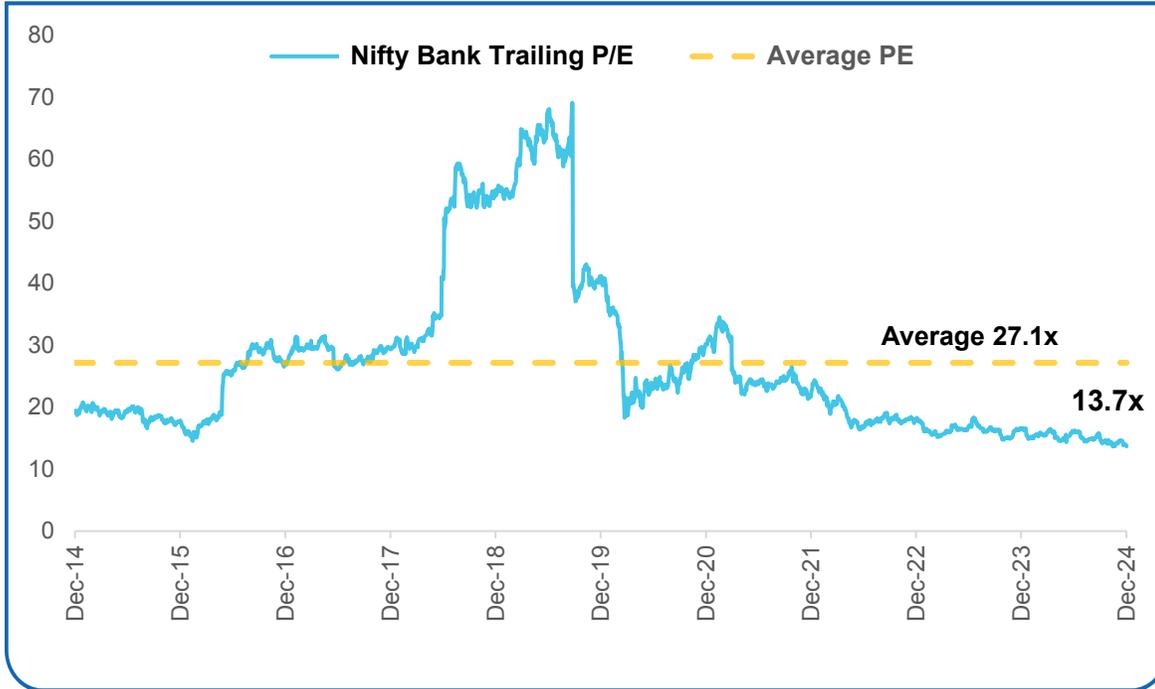
# Nifty Bank Index Valuations: Significant Discount to Nifty 50 Index



- The Nifty Bank Index is trading at a 32% P/E discount to Nifty 50 Index, significantly below the long-term average of 13%.
- This may offer an opportunity for investors to capitalize on attractive valuations in the banking sector with potential for recovery and growth.

Source : Bloomberg, Jeffries. Data as on Dec 31, 2024 PE : Price to Equity.

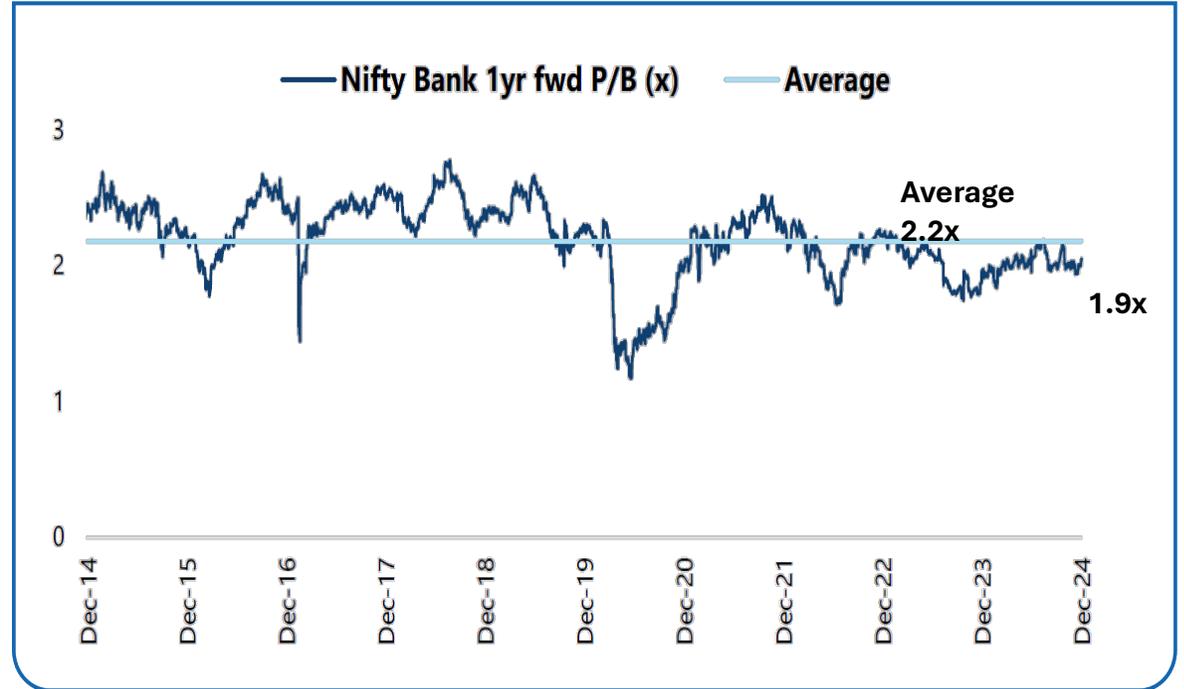
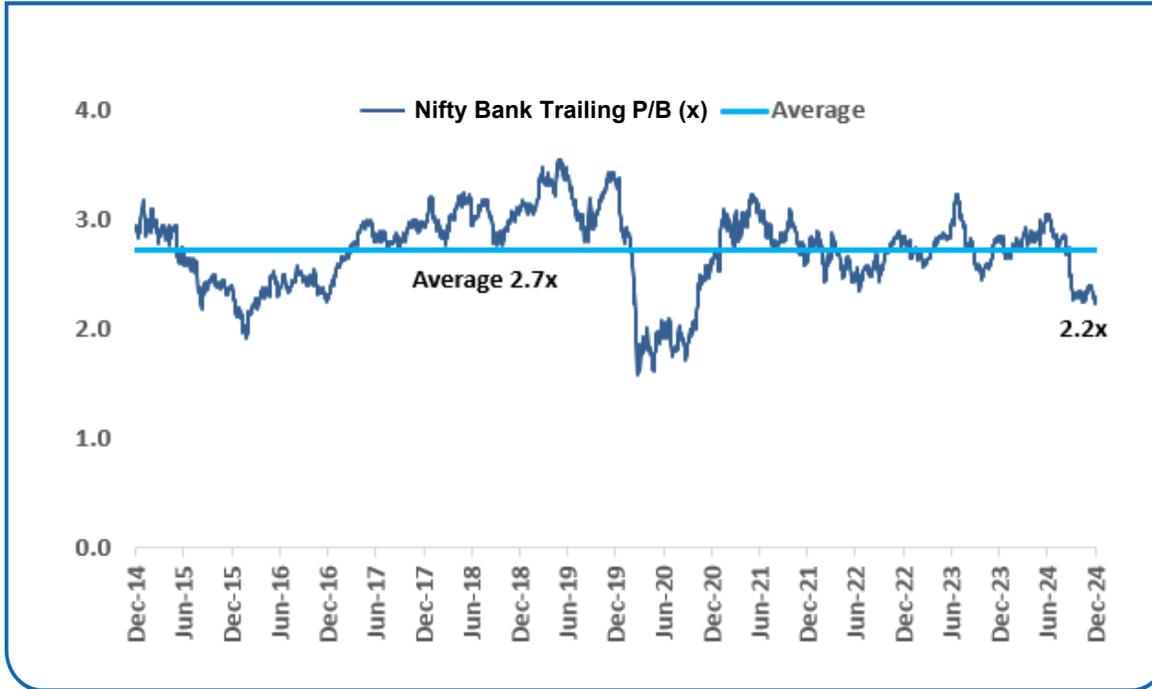
# Nifty Bank Index: Compelling Entry Point on Valuation Metrics (1/2) »



» The Nifty Bank Index is currently trading below its historical average P/E levels, with a trailing P/E of 13.7x and forward P/E of 13.4x. This attractive valuation signals a strong opportunity for long-term investors to capitalize on potential upside in the banking sector. «

Source www.nseindices.com. Bloomberg, Jefferies. Data as on Dec 31, 2024. PE : Price to Equity

# Nifty Bank Index: Compelling Entry Point on Valuation Metrics (2/2) »



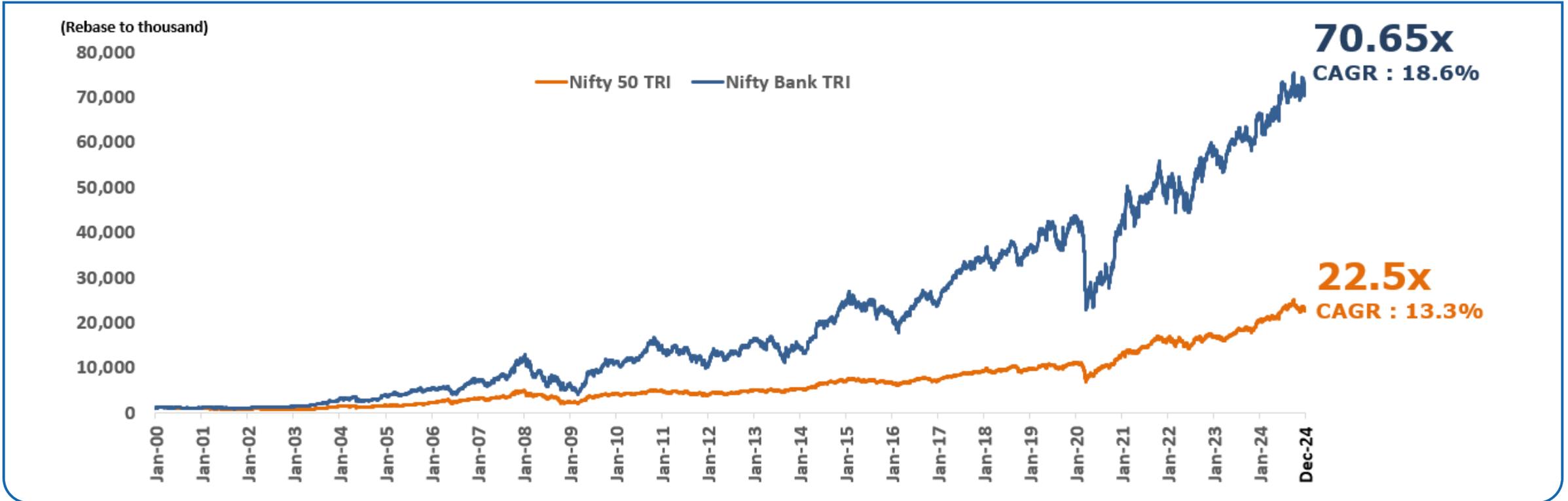
» The Nifty Bank Index is trading below its historical P/B average, with a trailing P/B of 2.2x and a forward P/B of 1.9x. These levels indicate attractive valuations, offering a potential entry point for long-term investors. «

Source www.nseindices.com. Bloomberg, Jefferies. Data as on Dec 31, 2024. P/B : Price to Book.

# NIFTY Bank Index Performance



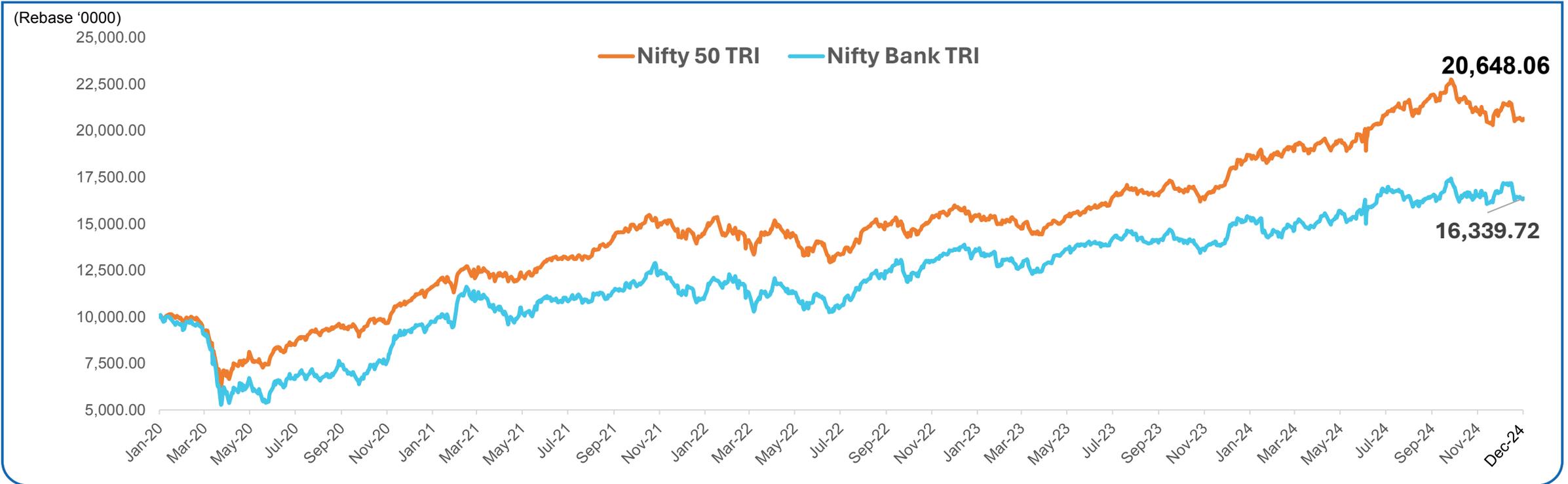
# Nifty Bank Index Outperforms Nifty 50 Index in Long-Term



- » An investment of ₹ 1,000 in Jan 2000 would have grown to ₹ 22.5 thousand in the Nifty 50, achieving a CAGR of 13.3%.
- « The same ₹ 1,000 invested in the Nifty Bank would have grown to ₹ 70.6 thousand, delivering a higher CAGR of 18.6%.

Source : MFI explorer, Data for the period Jan 2000 – Dec 2024. The above is for illustration purpose only, It should not be construed to be indicative of scheme performance in any manner. Past performance may or may not be sustained in future.

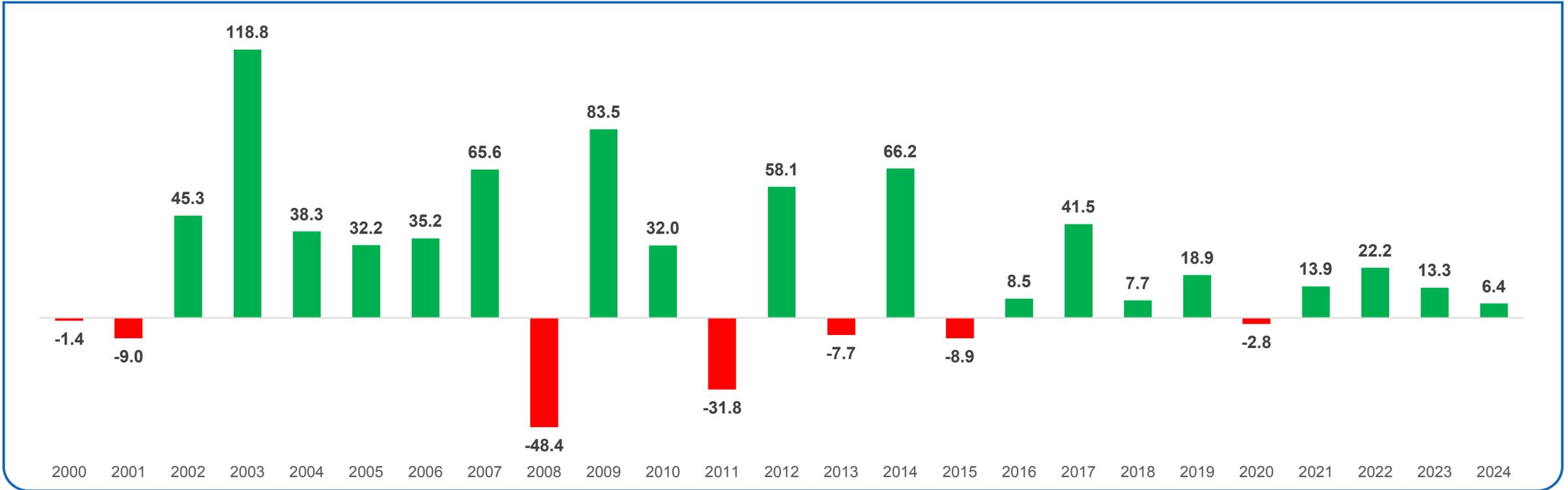
# Recent Underperformance of Nifty Bank Index vs Nifty 50 Index



» Recent underperformance in the Nifty Bank Index can offer an attractive entry point. With strong fundamentals and its pivotal role in India's economic growth. The banking sector is poised for a robust recovery, making this an opportune moment for long-term investors. «

Source : MFI explorer, Data for the period Jan 2020 – Dec 2024. The above is for illustration purpose only, It should not be construed to be indicative of scheme performance in any manner. Past performance may or may not be sustained in future.

# NIFTY Bank Index – Calendar Year Returns



- Nifty Bank Index has given positive returns in 18 out of 25 calendar years.
- Over 20% average calendar year returns over the 25-year timeline.
- Underperformance is followed by outperformance in the next year.

Source : MFI explorer, Data for the period Jan 2020 – Dec 2024. The above is for illustration purpose only, It should not be construed to be indicative of scheme performance in any manner. Past performance may or may not be sustained in future.

# Nifty Bank Index: Rolling Returns



	3 Years		5 Years		10 Yrs		15 Yrs	
	Nifty 50 TRI	Nifty Bank TRI	Nifty 50 TRI	Nifty Bank TRI	Nifty 50 TRI	Nifty Bank TRI	Nifty 50 TRI	Nifty Bank TRI
<b>Minimum</b>	-15.22	-8.43	-1.03	-1.07	5.17	6.05	8.50	10.56
<b>Maximum</b>	62.06	69.40	47.60	60.86	22.41	33.77	19.36	26.58
<b>Average</b>	15.83	21.17	15.60	20.04	14.12	18.59	14.08	18.48
<b>Median</b>	13.76	16.84	13.61	16.57	14.01	16.49	13.92	17.95
<b>Return Range</b>	<b>% of observations</b>							
<b>Negative</b>	5%	5%	0%	0%	0%	0%	0%	0%
<b>0% to 12%</b>	36%	23%	33%	27%	30%	8%	20%	4%
<b>12% to 15%</b>	15%	14%	27%	14%	31%	28%	46%	28%
<b>15% to 20%</b>	19%	16%	19%	23%	32%	31%	34%	29%
<b>Above 20%</b>	25%	42%	20%	36%	7%	33%	0%	39%

Source/Disclaimer: MFI Explorer; Data period : Jan 2000 – Dec 30, 2024. Performance is calculated using Total Return Index, with zero cost/expenses. Past performance may or may not be sustained in the future. The above is for illustration purpose only, It should not be construed to be indicative of scheme performance in any manner. Past performance may or may not be sustained in future.

# About Nifty Bank Index



# About Nifty Bank Index



## Universe & Eligibility

- Companies must be part of the Nifty 500 Index. If less than 10 eligible stocks are found in the Nifty 500 for a sector, stocks ranked within the top 800 will be considered.



## Stock Selection

- **Bank Sector:** Must be from the Banking sector.
- **Trading & Listing:** 90% trading frequency, listed for at least 1 month.
- Companies to be part of F&O Segment.
- **Selection:** 12 companies chosen based on free-float market cap.



## Stock Weights

- Weightage of stock is based on **Free Float** Market Cap.
- **Single Stock** weight capped at 33%.
- **Top 3 Stocks**  
Cumulative weight of top 3 Stocks restricted to 62%.



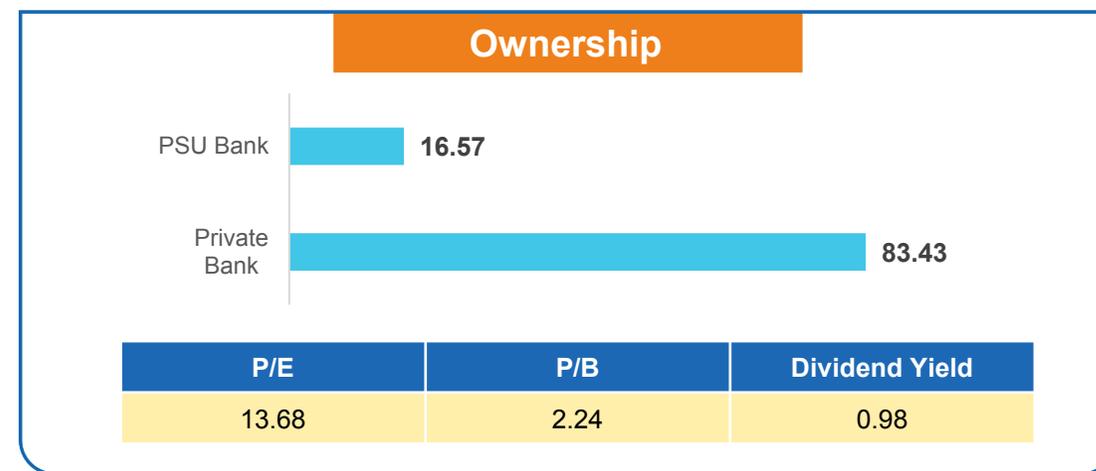
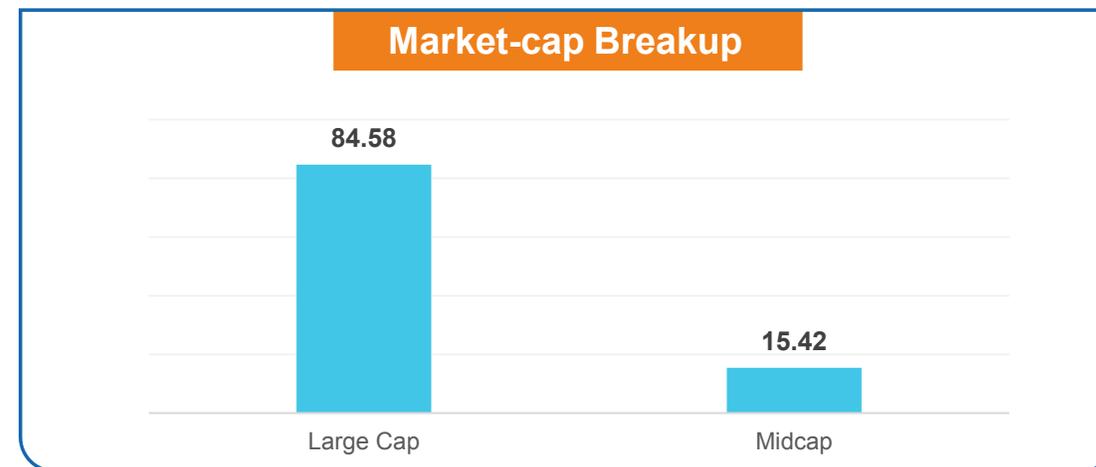
## Reconstitution and Rebalancing

**Re-balancing:**  
Semi-annual  
(Jan 31 & July 31)

# Composition of Nifty Bank Index



Company Name	Wtg. (%)
HDFC BANK LTD.	28.12
ICICI BANK LTD.	24.99
KOTAK MAHINDRA BANK LTD.	8.77
AXIS BANK LTD.	8.53
STATE BANK OF INDIA	8.46
INDUSIND BANK LTD.	4.53
FEDERAL BANK LTD.	3.48
BANK OF BARODA	3.19
IDFC FIRST BANK LTD.	2.78
PUNJAB NATIONAL BANK	2.52
CANARA BANK	2.40
AU SMALL FINANCE BANK LTD.	2.23



Source www.nseindices.com. P/E : Price to equity. P/B : Price to Book. Data as on Dec 31, 2024. Market Cap Representation is based on AMFI classification as on Dec 2024.

*Presenting*  
**SBI Nifty  
Bank Index Fund**



# Why invest in SBI Nifty Bank Index Fund?



## Harness India's Financial Growth

Ride the wave of India's expanding economy, powered by a robust banking sector driving credit growth and digital inclusion.



## Low-capital Requirement

For a minimum investment amount of INR 5000, get opportunity to invest in biggest banks of the country



## Convenience

Will also allow non-demat account holders to seek exposure to Banking sector.



## Attractive Valuations

Nifty Bank Index is currently trading near long-term averages, offering a promising entry point.



## Focused Exposure to Market Leaders

Gain access to 12 largest banks\* that reflect the backbone of India's financial ecosystem, providing stable and reliable growth



## Low-Cost Investment Approach

Enjoy the benefits of index investing with minimal expenses, aims to maximizing your long-term returns.



\* Based on Nifty Bank Index Methodology.

# About SBI Nifty Bank Index Fund



## Type of Scheme

**SBI Nifty Bank Index Fund** is an open-ended scheme replicating/tracking Nifty Bank Index.

## Investment Objective

The investment objective of the scheme is to provide returns that correspond to the total returns of the securities as represented by the underlying index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.

## Asset Allocation

### Instruments

Securities covered by Nifty Bank Index

Government. Securities\* including Triparty Repo, and units of liquid mutual fund

### Indicative allocations (% of total assets)

	Minimum	Maximum
Securities covered by Nifty Bank Index	95	100
Government. Securities* including Triparty Repo, and units of liquid mutual fund	0	5

\*Government securities includes G-Secs, SDLs, treasury bills.

For more details, refer Scheme Information Document (SID).

**SBI FUNDS MANAGEMENT LIMITED** (A joint venture between SBI & AMUNDI)

**PASSIVE SOLUTIONS**  
INDEX FUNDS | ETFs | FOFs

**SBI MUTUAL FUND**  
A PARTNER FOR LIFE

# SBI Nifty Bank Index Fund : Fund Facts



## Scheme Name

SBI Nifty Bank Index Fund



**NFO Open Date:** January 20, 2025

**NFO Close Date:** January 31, 2025



## Plans & Options

Regular & Direct Plan; Both plans provide two options - Growth Option and Income Distribution cum Capital Withdrawal (IDCW) Option for "IDCW Re-investment" and "IDCW Pay-out" is available.



## Application Amount

Minimum Investment Amount : ₹ 5000/- and in multiples of ₹ 1 thereafter;  
Additional Purchase Amount: ₹ 1000/- and in multiples of ₹ 1 thereafter



## Benchmark

Nifty Bank TRI



## Fund Manager

Mr. Harsh Sethi



## Exit Load

For exit on or before 15 days from the date of allotment: 0.25%,  
For exit after 15 days from the date of allotment: Nil

For additional details and queries related to subscription during & post NFO or Fund Asset Allocation, please refer to SID at <https://www.sbimf.com/>

## **NSE INDICES LIMITED: DISCLAIMER for Nifty Bank Index .**

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read all scheme related documents carefully.**